GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:17
ANSWERED ON:17.10.2008
MERGER OF LORD KRISHNA AND CENTURION BANKS WITH HDFC
Manoj Dr. K.S.

Will the Minister of FINANCE be pleased to state:

(a) whether the Lord Krishna Bank and Centurion Bank of Punjab have merged with HDFC Bank;

(b) if so,the details thereof;

(c) whether the RBI has given permission for this merger;

(d) if so,the effect of this merger on the branches of Lord Krishna and Centurion Bank and the employees of these Banks;and

(e) the steps taken by the Government to protect the interests of the employees?

Answer

The Minister of State in the Ministry of Finance (Shri Pawan Kumar Bansal)

(a) to (d): Reserve Bank of India sanctioned the Schemes of amalgamation of Lord Krishna Bank Ltd. (LKBL) with Centurion Bank of Punjab (CBOP) Ltd. w.e.f. 29.08.2007, and Centurion Bank of Punjab Ltd. with the HDFC Bank Ltd. w.e.f.23.05.2008 under Section 44A(4) ofthe Banking Regulation Act, 1944.The branches of the transferor banks became the branches of the transferee banks with effect from the date of amalgamations.

(e): The Scheme of amalgamation of LKBL with CBOP provided for continuation of all the employees of LKBL in service on the Effective Date as employees of CBOP Ltd. without any break or interruption in service, on emoluments and benefits and terms and conditions of service which are no less favourable to the employees than those on which they were employed with LKBL as on the date immediately preceding the Effective Date.Further,it also provided that the provident fund, superannuation fund or any other special scheme(s), fund(s) created or existing for the benefit of the employees of LKBL,on and from the Effective Date, shall stand transferred to CBOP Ltd.The above provisions have also been incorporated in the Scheme of amalgamation of CBOP with the HDFC Bank Ltd.